

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Article No.

Mr. Robert Siegel, Esq.
Compass Environmental, Inc.
954 W. Washington Boulevard, 4th Floor
Chicago, IL 60607

RE: AK Steel Kansas City Facility, Kansas City, Missouri, MOD 007118029

Dear Mr. Siegel:

This letter is in response to your inquiry regarding the scope of additional investigative work required for the portion of the AK Steel facility in Kansas City, Missouri that is now owned by Compass Big Blue, L.L.C. As you know, the AK Steel facility is subject to regulation pursuant to the Missouri Hazardous Waste Management Facility Part I Permit (dated January 11, 1994), and the Hazardous and Solid Waste Amendments (HSWA) Part II Permit (dated November 30, 1994), issued under the authority of the Missouri Department of Natural Resources (MDNR) and U. S. Environmental Protection Agency (EPA) Region VII, respectively. The party responsible for compliance with the Part I and Part II Permits (hereafter collectively referred to as the "permit"), including corrective action, is the permittee, AK Steel Corporation. Under the permit, AK Steel continues to be responsible for enumerated operational, investigational and reporting requirements for the "facility," as defined by the permit. The permit's definition of "facility," includes approximately 860 acres, of which approximately 270 acres are now owned by Compass Big Blue, L.L.C. and 16 of the 300 acres are now owned by Decco. The subsequent purchase by Compass Big Blue of a portion of the "facility," as defined by the permit, does not relieve AK Steel of the legal responsibility to address contamination on the property, as required by the permit.

EPA understands that as the current owner of property that is within the definition of "facility" of the permit, Compass Big Blue is interested in a determination of both the extent of contamination on the property that it now owns, and what remedies, if any, are required to address such contamination. This letter only addresses your inquiries regarding those portions of the AK Steel "facility" now owned by Compass Big Blue, L.L.C.

In 1999, AK Steel submitted a RCRA Facility Investigation (RFI) Report to EPA which described the results of an investigation of the facility. However, much of the data contained in RFI Report was generated by the Intertek Testing Services Environmental Laboratories,

SWMUs 8 and 11 - No. 2 Melt Shop Baghouse Dust Tank and Dust Railcar Loading Area

SWMUs 8 and 11 consist of an 80-feet by 90-feet area. EPA has inspected and obtained copies of Missouri Hazardous Waste manifests for the baghouse dust (K061 waste) and remaining bags at these SWMUs. The hazardous waste left behind by GST Steel Company has been disposed by Compass Big Blue, L.L.C. at Texas Ecologists, Inc. in Robstown, Texas (EPA ID No. TXD 069 452 340). The results of the RFI Report indicate that lead and cadmium were detected in surficial soils (primarily a mixture of soil and slag) at concentrations exceeding the EPA's Soil Screening Levels (SSLs). Based on a visual inspection conducted on May 7, 2003, some of this area is unpaved. Soil samples need to be collected from unpaved areas and analyzed for lead and cadmium, to determine the extent of remediation that needs to be conducted in these areas.

SWMU 22 - Mill Ponds

As EPA described in a letter to AK Steel, dated March 24, 2003, there was a release of oily waste from SWMU 22 to the Blue River and Missouri River in October 2002. EPA's immediate investigative objective for this SWMU is that outlet valves need to be secured to prevent further releases to the environment. Sampling and cleanup of this 25 acre SWMU is dependent on its future use. Two possible scenarios are discussed below.

1. Should the SWMU be reused as holding ponds, the oily waste, water and sludge contained therein needs to be sampled/analyzed and removed. To determine the appropriate disposition of the sludge, a representative number of samples need to be collected and analyzed for the Toxicity Characteristics Leaching Procedure (TCLP) test. Following removal, a representative number of verification samples need to be collected and analyzed for appropriate constituents, including metals and petroleum hydrocarbons, to confirm that waste above appropriate risk based cleanup levels was removed.
2. If the SWMU is to be capped and waste and/or environmental media containing hazardous constituents is to remain in place, samples need to be collected to determine the extent of contamination for the purpose of designing the cap.

SWMU 25 - Roll Shop Drum Storage Area

The RFI Report indicates that lead, cadmium and polynuclear aromatic hydrocarbons (PAHs) were found in this area exceeding the SSLs. The area is paved. No sampling needs to be conducted in this area at this time. It is anticipated that the revised risk assessment will determine that there are no unacceptable exposures to contamination as long as the asphalt pavement remains in place and is maintained. Possible remedial alternatives may include a deed notice to identify that contamination was found beneath the pavement of this area, ongoing future maintenance of the structural integrity of the pavement and restrictions on future intrusive (subsurface) work in this area.

SWMU 26 - Rod Mill Drum Storage Area

The Rod Mill Drum Storage Area (15 feet by 75 feet in size) was investigated during the RFI. The RFI Report indicates that detections of RCRA metals were less than SSLs and that no PAHs were detected. The area is within the Rod Mill Building and is covered by a concrete floor. No further sampling needs to be conducted at this time. It is anticipated that the revised risk assessment will determine that there are no current unacceptable exposures to contamination. Possible remedial alternatives may include a deed notice to identify that contamination is present below current levels of regulatory concern beneath the concrete pavement of this area.

SWMU 35

The Facility Map (Figure 1-2) in the RFI Report depicts SWMU 35 on the portion of the facility now owned by Compass Big Blue, L.L.C. Upon further research, this SWMU was eliminated from further investigation/consideration when the Part II permit was issued to AK Steel in 1994. Therefore, based on known information, no further action at this SWMU is necessary.

Underground Storage Tanks (USTs) 2, 3, 9, 14, 18 and 19 and Tank 21

EPA has contacted MDNR's UST program regarding the status of the referenced tanks. MDNR will check its database and determine whether additional investigation or cleanup is needed for any of these tanks under the UST program. Further, EPA will coordinate its findings with the Permits Section of MDNR's Hazardous Waste Program to ensure that any corrective action-related concerns are identified. EPA will provide this information to Compass as soon as it is available.

General Issues

As we have discussed, Compass Big Blue may analyze verification samples using a field-portable XRF for the detection of lead and cadmium. The XRF has been demonstrated to produce accurate and reproducible data, and is frequently used by EPA in its own field investigations. To support the administrative record for the facility, EPA intends to collect approximately 5 to 10 % fixed laboratory confirmation samples to ensure that the field-generated data is demonstrated to be reliable for decision-making purposes.

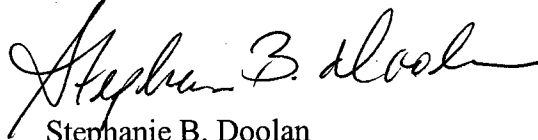
In order for EPA to accept sampling data collected by Compass, a Sampling and Analysis Plan/Quality Assurance Project Plan must be submitted by Compass Big Blue, L.L.C., and approved by EPA for the sampling. The purpose of this document is two-fold: it represents both an understanding between EPA and Compass Big Blue, L.L.C. for the work to be performed; and it assures that the resulting data can be used by EPA for determining whether additional corrective action work is warranted. An example of a similar work plan used for an EPA field sampling event using an XRF was provided to Compass on May 16, 2003. Please feel free to use this example as a basis for the document to be prepared.

Please be aware that EPA and MDNR will require that the facility-wide human health and ecological risk assessments previously submitted by AK Steel as part of the RFI Report be revised and resubmitted by AK Steel as a part of its facility-wide responsibilities under the Part II Permit. Risk based cleanup levels for lead in soils must be determined using EPA's Adult Lead Model (<http://www.epa.gov/superfund/programs/lead/products.htm>). This determines an appropriate cleanup level for lead given an industrial (and not residential) exposure. The reasonable maximum exposure assumed by the model is lead exposure to a female worker of child-bearing age (representing possible exposure of the fetus to lead ingested by the female worker). The model is based on EPA's overall goal that children (the most sensitive population with respect to adverse health effects) will have no more than a 5 % probability of having blood lead levels which exceed 10 micrograms (ug) per deciliter (dl).

Based on previous investigative efforts at the facility, it is expected that the presence of cadmium will coincide with lead in soils at concentrations greater than cleanup levels determined using the adult lead model. If field data indicates otherwise, as a starting point, you may refer to MDNR's 2001 Cleanup Levels for Missouri (CALM) guidance document in development of an appropriate remedial goal for cadmium based on an industrial scenario.

If you have any further questions, please call me at (913) 551-7719.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephanie B. Doolan", with a stylized, flowing script.

Stephanie B. Doolan
Project Manager

cc: Julie Pearson, MDNR

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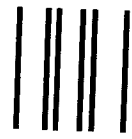
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